

Enertopia Corp.
Form 10-Q
April 09, 2019

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended February 28, 2019

or

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the transition period from _____ to _____

Commission File Number 000-51866

Enertopia Corporation

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or
organization)

20-1970188

(IRS Employer Identification No.)

#22 - 1873 Spall Road, Kelowna, BC

(Address of principal executive offices)

V1Y 4R2

(Zip Code)

250-870-2219

(Registrant's telephone number, including area code)

Enertopia Corporation

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act

Large

Accelerated
filer

Accelerated filer

Non-accelerated
filer

(Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act

YES NO

**APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS**

Check whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court.

YES NO

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

121,964,931 common shares issued and outstanding as of February 28, 2019

PART 1 - FINANCIAL INFORMATION

Item 1. Financial Statements.

Our unaudited condensed financial statements for the six month period ended February 28, 2019 form part of this quarterly report. They are stated in United States Dollars (US\$) and are prepared in accordance with United States generally accepted accounting principles.

**ENERTOPIA
CORP.
UNAUDITED
CONDENSED
INTERIM
BALANCE
SHEETS
(Expressed in
U.S. Dollars)**

	February 28 2019	August 31 2018
ASSETS		
Current		
Cash and cash equivalents \$	11,477	\$ 176,409
Accounts receivable	2,355	7,504
Prepaid expenses and deposit	51,491	87,777
Total current assets	65,323	271,690
Total Assets \$	65,323	\$ 271,690
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Current		
Accounts payable \$	303,552	\$ 278,036
Due to related parties (Note 6)	191,631	171,234
Total Current Liabilities	495,183	449,270
STOCKHOLDERS' EQUITY		
Share capital		
Authorized:		
200,000,000 common shares with a par value of \$0.001 per share		
Issued and outstanding:		
121,964,931 common shares at February 28, 2019 and	121,966	119,741

August
31,2018:
119,739,931

Additional paid-in capital (Note 7)	13,639,247	13,594,497
Deficit accumulated during the exploration stage	(14,191,073)	(13,891,818)
Total Stockholders' Equity	(429,860)	(177,580)
Total Liabilities and Stockholders' Equity	\$ 65,323	\$ 271,690

The accompanying notes are an integral part of these unaudited condensed interim financial statements

F-1

ENERTOPIA CORP.
CONDENSED INTERIM STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)
(Expressed in U.S. Dollars)

COMMON STOCK		ADDITIONAL	DEFICIT	TOTAL
SHARES	AMOUNT	PAID-IN CAPITAL	ACCUMULATED	STOCKHOLDERS' EQUITY
Balance, August 31, 2017	102,298,031	\$ 102,299	\$ 12,901,936	\$(13,241,763) \$(237,528)
Stock Based Compensation Shares issued for Private Placement on November 1	-	31,237	-	31,237
2,600,000 Private Placement on November 1	2,600	98,293	-	100,893
Comprehensive income (loss)	-	-	(193,341)	(193,341)
Balance, November 31, 2017	104,898,031	104,899	13,031,466	(13,435,104) (298,739)
Shares issued for Private Placement on November 1	-	305	-	305
Shares issued for Private Placement on December 8	3,954	140,505	-	144,459
240,000 conversion	240	11,760	-	12,000

Edgar Filing: Enertopia Corp. - Form 10-Q

on December 8 Shares issued for Private 1,611,000 Placement	1,611	59,657	-	61,268
on January 12 Warrant conversion 50,000	50	3,450	-	3,500
February 2 Comprehensive income (loss)	-	-	(199,548)	(199,548)
Balance, February 28, 2018	110,754	13,247,143	(13,634,652)	(276,755)
Stock Based Compensation Option conversion 200,000	-	58,359	-	58,359
May 11 Shares issued for Private 1,746,900 Placement	200	11,800	-	12,000
on May 11 Shares issued for Private 2,470,000 Placement	1,747	72,982	-	74,729
on May 25 Shares issued	2,470	107,864	-	110,334
4,400,000	4,400	87,519	-	91,919

Edgar Filing: Enertopia Corp. - Form 10-Q

for Private Placement on August 31 Option Conversion	of 70,000	170	8,830	-	9,000		
August 31 Comprehensive income (loss)	-	-	-	(257,166	)	(257,166)
Balance, August 31, 2018	119,739,931	119,741	13,594,497	(13,891,818	)	(177,580)
Shares issued for Private Placement on September 21 Comprehensive income (loss)	of 2,225,000	2,225	44,750	-	46,975		
September 21 Comprehensive income (loss)	-	-	-	(94,799	)	(94,799)
Balance, November 31, 2018	121,964,931	121,966	13,639,247	(13,986,617	)	(225,404)
Comprehensive income (loss)	-	-	-	(204,456	)	(204,456)
Balance, February 28, 2019	121,964,931	121,966	13,639,247	(14,191,073	)	(429,860)

The accompanying notes are an integral part of these unaudited condensed interim financial statements

ENERTOPIA CORP.
CONDENSED INTERIM STATEMENTS OF OPERATIONS
(UNAUDITED)
(Expressed in U.S. Dollars)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	February 28 2019	February 28 2018	February 28 2019	February 28 2018
Expenses				
Accounting and audit	15,061,852		26,123,970	
Bank charges and interest expense	272,380		481,737	
Consulting	10,500,000		22,250,700	
Mineral exploration costs	115,368		124,533	
Fees and dues	7,317,632		21,475,436	
Insurance	3,140,275		6,042,277	
Investor relations		38,852		51,503
Legal and professional	34,173		70,382	
Office and miscellaneous	2,748,219		4,670,967	
Research and development	2,471,088		4,023,863	
	4,428,296		4,423,174	
Rent	2,375,371		2,733	
Stock based compensation	-		3,696	
Telephone	-		-	31,237
Travel	5,839,328		8,966,959	
Total expenses	203,639,150		297,370,080	
(Loss) for the period before other items	(203,639,150)	)	(297,370,080))
Other income (expense)				
Foreign exchange gain (loss)	(817,398)	)	(1,5529))
Net loss and comprehensive loss for the period	\$ (204,456,548)	)	\$ (298,922,889))
Basic and diluted income (loss) per share	\$ (0.00)	)	\$ (0.00))

Weighted average number of common shares outstanding - basic and diluted	121,964,931	121,766,782
---	--------------------	--------------------

The accompanying notes are an integral part of these unaudited condensed interim financial statements

F-3

ENERTOPIA CORP.
CONDENSED INTERIM STATEMENTS OF
CASH FLOWS (UNAUDITED)

(Expressed in U.S. Dollars)

	SIX MONTHS ENDED	
	February 28	February 28
	2019	2018
Cash flows used in operating activities		
Net Income (loss)	\$ (299,255)	\$ (392,889)
Changes to reconcile net loss to net cash used in operating activities		
Stock based compensation	-	31,237
Change in non-cash working capital items:		
Accounts receivable	5,149	7,607
Prepaid expenses and deposit	36,286	(89,145)
Accounts payable and accrued liabilities	25,516	(16,074)
Due to related parties	20,397	18,456
Net cash (used in) operating activities	(211,907)	(440,808)
Cash flows from financing activities		
Net proceeds from options exercised	-	3,500
Net proceeds from warrants exercised	-	12,000
Net proceeds from subscriptions received	46,975	306,925
Net cash from financing	46,975	322,425

activities		
Increase		
(Decrease) in cash	(164,932	) (118,383
and cash)
equivalents		
Cash and cash		
equivalents,	176,409	150,870
beginning of		
period		
Cash and cash		
equivalents, end	\$ 11,477	\$ 32,487
of period		

Supplemental
information of cash
flows

Interest paid in cash	\$ -	\$ -
Income taxes paid in cash	\$ -	\$ -

The accompanying notes are an integral part of these unaudited condensed interim financial statements

ENERTOPIA CORP.

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

February 28, 2019

(Expressed in U.S. Dollars)

1. ORGANIZATION

The unaudited condensed interim financial statements for the period ended February 28, 2019 included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with United States generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. These unaudited condensed interim financial statements should be read in conjunction with the August 31, 2018 audited annual financial statements and notes thereto.

The Company was formed on November 24, 2004 under the laws of the State of Nevada and commenced operations on November 24, 2004. The Company was an independent natural resource company engaged in the exploration, development and acquisition of natural resources in the United States and Canada. In the fiscal year 2010, the Company shifted its strategic plan from its non-renewal energy operations to its planned renewal energy operations and natural resource acquisition and development. In late summer of 2013, the Company had another business sector in alternative health and wellness. During spring of 2016, the Company shifted its strategic plan to natural resource acquisitions and Lithium brine extraction technology. The Company office is located in Kelowna, B.C., Canada.

2. GOING CONCERN UNCERTAINTY

The accompanying unaudited condensed interim financial statements have been prepared on a going concern basis which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business for the foreseeable future. The Company had a working capital deficit of \$429,860 for the six months ended February 28, 2019 (deficit of \$177,580 for the year ended August 31, 2018). The Company incurred a net loss of \$299,255 for the six months ended February 28, 2019 (net loss of \$392,889 for the six months ended February 28, 2018) and as at February 28, 2019 has incurred cumulative losses of \$14,191,073 that raises substantial doubt about its ability to continue as a going concern. Management has been able, thus far, to finance the operations through equity financing and cash on hand. There is no assurance that the Company will be able to continue to finance the Company on this basis.

In view of these conditions, the ability of the Company to continue as a going concern is in substantial doubt and dependent upon its ability to generate sufficient cash flow to meet its obligations on a timely basis, to obtain additional financing as may be required, to receive the continued support of the Company's shareholders, and ultimately to obtain successful operations. There are no assurances that we will be able to obtain further funds required for our continued operations. As noted herein, we are pursuing various financing alternatives to meet our immediate and long-term financial requirements. There can be no assurance that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, we will be unable to conduct our operations as planned, and we will not be able to meet our other obligations as they become due. In such event, we will be forced to scale down or perhaps even cease our operations. There is significant uncertainty as to whether we can obtain additional financing. These unaudited condensed interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying unaudited condensed interim financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

a)Basis of Presentation

The accompanying unaudited condensed interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information and the instructions to Securities and Exchange Commission ("SEC") Form 10-Q and Article 10 of SEC Regulation S-X. They do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. Therefore, these financial statements should be read in conjunction with our audited financial statements and notes thereto for the year ended August 31, 2018.

b)Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. On an ongoing basis, we evaluate our estimates, judgments, and assumptions, including those related to revenue recognition, inventory valuation, and stock based compensation (expense and liability). Our estimates, judgments, and assumptions are based on historical experience, future expectations, and other factors which we believe to be reasonable. Actual results could differ from those estimates and assumptions.

c)Recently Adopted Accounting Pronouncements

On November 22, 2017, the FASB issued "ASU 2017-14 - Income Statement-Reporting Comprehensive Income (Topic 220), Revenue Recognition (Topic 605), and Revenue from Contracts with Customers (Topic 606)". This update amends SEC paragraphs pursuant to the SEC Staff Accounting Bulletin No. 116 and SEC Release No. 33-10403, which bring existing guidance into conformity with Topic 606, Revenue from Contracts with Customers. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017. The adoption of this standard had no impact on the Company's balance sheets or statements of operations or cash flows.

In August 2016, the FASB issued ASU No. 2016-15 related to the statement of cash flows. This new guidance addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017, and early adoption is permitted. The adoption of this standard had no impact on the Company's balance sheets or statements of operations or cash flows.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers. The new standard provides a five-step approach to be applied to all contracts with customers and also requires expanded disclosures about revenue recognition. The ASU is effective for annual reporting periods beginning after December 15, 2017, including interim periods and is to be retrospectively applied. The adoption of this standard had no impact on the Company's balance sheets or statements of operations or cash flows.

d)New Accounting Pronouncements

In June 2018, the FASB issued ASU 2018-07, which simplifies the accounting for nonemployee share-based payment transactions. The amendments specify that Topic 718 applies to all share-based payment transactions in which a grantor acquires goods or services to be used or consumed in a grantor's own operations by issuing share-based payment awards. The standard will be effective for us in the first quarter of our fiscal year 2020, although early adoption is permitted (but no sooner than the adoption of Topic 606). We do not expect that the adoption of this ASU will have a significant impact on our consolidated financial statements.

In February 2016, Topic 842, Leases was issued to replace the leases requirements in Topic 840, Leases. The main difference between previous GAAP and Topic 842 is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. A lessee should recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. If a lessee makes this election, it should recognize lease expense for such leases generally on a straight-line basis over the lease term. The accounting applied by a lessor is largely unchanged from that applied under previous GAAP. Topic 842 will be effective for annual reporting periods beginning after December 15, 2018, including interim periods within those annual periods and is to be retrospectively applied. Earlier application is permitted. The adoption of this standard is not expected to have a significant impact on the Company's results of operations, financial condition, cash flows, and financial statement disclosures.

4. MINERAL PROPERTY

During the year ended August 30, 2017 the Company staked lode and placer claims on BLM lands in Esmerelda county Nevada covering approximately 160 Acres subject to adjustment. The Company has a 100% interest in the lands and is only responsible for the yearly maintenance fees to keep its 100% interest. The claims are in good standing until August 31, 2019.

5. LITHIUM TECHNOLOGY

On August 15, 2016, a binding Letter of Intent ("LOI") was signed by Enertopia and Genesis Water Technologies, Inc. ("GWT") with regard to the acquisition by Enertopia of the exclusive worldwide licensing rights (the "Licensing Rights") by Enertopia of all of the technology used in the process of recovering and extraction of battery grade lithium carbonate powder Li_2CO_3 grading 99.5% or higher purity from brine solutions.

Upon the execution of this LOI, Enertopia issued 250,000 common shares valued at \$12,500 to GWT.

On December 6, 2016, and amended on October 9, 2017, Enertopia and GWT signed a Definitive Commercial Agreement with regard to the acquisition by Enertopia of the exclusive licensing rights in the United States of America, Argentina, Bolivia and Chile of all of the technology used in the process of recovering and extraction of battery grade lithium carbonate powder Li_2CO_3 grading 99.5% or higher purity from brine solutions.

On July 4, 2018, the Company provided GWT with a formal notice of termination of the commercialization agreement. Following termination, the Company has no further obligations with respect to the commercialization agreement. As a result, for the year ended August 31, 2018, the Company wrote off capitalized costs of \$12,500.

6. RELATED PARTIES TRANSACTION

For the six month period ended February 28, 2019, the Company was party to the following related party transactions:

- Incurred \$21,000 (February 28, 2018: \$21,000) to the President of the Company in consulting fees.
- \$191,631 (August 31, 2018: \$171,234) was payable to the President of the Company.
- Incurred share based compensation expenses of \$Nil in relation to stock options issued to a director of the Company (February 28, 2018: \$19,523).

The related party transactions are recorded at the exchange amount established and agreed to between the related parties.

7. COMMON STOCK

On November 1, 2017, the Company closed the first tranche of a private placement of 2,600,000 units at a price of CAD\$0.05 per unit for gross proceeds of CAD\$130,000 (equivalent of \$101,198). Each unit consists of one common share of the Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 24 months from the date of issuance, at a purchase price of \$0.06.

On December 8, 2017, the Company closed the second tranche of a private placement of 3,954,000 units at a price of CAD\$0.05 per unit for gross proceeds of CAD\$197,700 (equivalent of \$154,397). Each unit consists of one common share of the Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 24 months from the date of issuance, at a purchase price of \$0.06. A cash finder's fee of CAD\$12,770 and 230,400 broker warrants was paid to a third party. The broker warrants have the same terms as the warrants issued as part of the unit offering.

On December 8, 2017, the Company issued 240,000 shares for gross proceeds of \$12,000 from the exercise of stock options at \$0.05.

On January 12, 2018, the Company closed the final tranche of a private placement of 1,611,000 units at a price of CAD\$0.05 per unit for gross proceeds of CAD\$80,550 (equivalent of \$64,371). Each unit consists of one common share of the Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 24 months from the date of issuance, at a purchase price of \$0.06. A cash finder's fee of CAD\$3,880 and 77,600 broker warrants was paid to a third party. The broker warrants have the same terms as the warrants issued as part of the unit offering.

On February 2, 2018, the Company issued 50,000 shares for gross proceeds of \$3,500 from the exercise of warrants from a previous financing at \$0.07.

On May 11, 2018, the Company issued 200,000 shares for gross proceeds of \$12,000 from the exercise of stock options at \$0.06.

On May 11, 2018, the Company closed the first tranche of a private placement of 1,746,900 units at a price of CAD\$0.06 per unit for gross proceeds of CAD\$104,814 (equivalent of \$81,987). Each unit consists of one common share of the Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 24 months from the date of issuance, at a purchase price of \$0.075. A cash finders' fee of CAD\$9,281 and 144,690 full broker warrants that expire May 11, 2020 was paid to third parties. The broker warrants have the same terms as the warrants issued as part of the unit offering.

On May 25, 2018, the Company closed the final tranche of a private placement of 2,470,000 units at a price of CAD\$0.06 per unit for gross proceeds of CAD\$148,200 (equivalent of \$114,822). Each unit consists of one common share of the Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 24 months from the date of issuance, at a purchase price of \$0.075. A cash finders' fee of CAD\$5,820 and 70,000 full broker warrants that expire May 25, 2020 was paid to third parties. The broker warrants have the same terms as the warrants issued as part of the unit offering.

On August 31, 2018, the Company closed the first tranche of a private placement of 4,400,000 units at a price of CAD\$0.03 per unit for gross proceeds of CAD\$132,000 (equivalent of \$101,111). Each unit consists of one common share of the Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 36 months from the date of issuance, at a purchase price of \$0.05. A cash finders' fee of CAD\$12,000 (equivalent of \$9,192) and 400,000 full broker warrants

that expire August 31, 2021 was paid to third parties. The broker warrants have the same terms as the warrants issued as part of the unit offering.

Edgar Filing: Enertopia Corp. - Form 10-Q

On August 31, 2018, the Company issued 170,000 shares for gross proceeds of \$9,000 from the exercise of 50,000 stock options at \$0.06 and 120,000 stock options at \$0.05 respectively.

On September 21, 2018, the Company closed the final tranche of a private placement of 2,225,000 units at a price of CAD\$0.03 per unit for gross proceeds of CAD\$66,750 (equivalent of \$51,678). Each unit consists of one common share of the Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 36 months from the date of issuance, at a purchase price of \$0.05. A cash finders' fee of CAD\$6,075 and 202,500 full broker warrants that expire September 21, 2021 was paid to third parties. The broker warrants have the same terms as the warrants issued as part of the unit offering.

As at February 28, 2019 the Company had 121,964,931 shares issued and outstanding and as at August 31, 2018, the Company had 119,739,931 shares issued and outstanding.

8.STOCK OPTIONS AND WARRANTS

Stock Options

On July 15, 2014, the shareholders approved and adopted at the Annual General Meeting the Company's 2014 Stock Option Plan. On April 14, 2011, the shareholders approved and adopted at the Annual General Meeting to consolidate the Company's 2007 Equity compensation plan and the Company's 2010 Equity Compensation Plan into a new Company 2011 Stock Option Plan. The purpose of these Plans is to advance the interests of the Corporation, through the grant of Options, by providing an incentive mechanism to foster the interest of eligible persons in the success of the Corporation and its affiliates; encouraging eligible persons to remain with the Corporation or its affiliates; and attracting new Directors, Officers, Employees and Consultants.

On November 1, 2017, the Company granted 800,000 stock options to a director and consultant of the Company with an exercise price of \$0.05, expiring November 2, 2022.

On May 11, 2018, the Company granted 535,000 stock options to a director and consultant of the Company with an exercise price of \$0.06, expiring May 11, 2023.

On May 22, 2018, the Company granted 550,000 stock options to consultants of the Company with an exercise price of \$0.07, expiring May 22, 2023.

For the six month period ended February 28, 2019, the Company recorded \$Nil (February 28, 2018 - \$31,237) stock based compensation expenses.

A summary of the changes in stock options for the three months ended November 30, 2018 is presented below:

	Number of Shares	Options Outstanding Weighted Average Exercise Price
Balance, August 31, 2017	7,295,000	\$ 0.07
Granted	1,885,000	0.06
Exercised	(610,000)	0.05
Balance, August 31, 2018	8,570,000	\$ 0.07

Edgar Filing: Enertopia Corp. - Form 10-Q

Granted	-	-
Expired	(250,000	) 0.06
Balance, February 28, 2019	8,320,000	\$ 0.07

Edgar Filing: Enertopia Corp. - Form 10-Q

The fair value of options granted has been estimated as of the date of the grant by using the Black-Scholes option pricing model with the following assumptions:

	February 28, 2019	February 28, 2018
Expected volatility	-	204%
Risk-free interest rate	-	2.03%
Expected life	-	5.00 years
Dividend yield	-	0.00%
Estimated fair value per option	-	\$0.04

The Company has the following options outstanding and exercisable.

February 28, 2019

Exercise prices	Options outstanding and exercisable	
	Number of shares	Remaining contractual life
\$0.07	550,000	4.23 years
\$0.06	535,000	4.20 years
\$0.05	800,000	3.66 years
\$0.10	500,000	3.18 years
\$0.07	1,500,000	2.93 years
\$0.07	1,535,000	2.90 years
\$0.07	800,000	2.56 years
\$0.05	1,100,000	1.65 years
\$0.10	1,000,000	0.68 years
	8,320,000	2.89 years

August 31, 2018

Exercise prices	Options outstanding and exercisable	
	Number of shares	Remaining contractual life
\$0.07	550,000	4.73 years
\$0.06	535,000	4.70 years
\$0.05	800,000	4.16 years
\$0.10	500,000	3.67 years
\$0.07	1,500,000	3.42 years
\$0.07	1,535,000	3.39 years
\$0.07	800,000	3.05 years
\$0.05	1,100,000	2.15 years
\$0.10	1,000,000	1.18 years
\$0.06	250,000	0.18 years ¹
	8,570,000	2.88 years

*The aggregate intrinsic value for options outstanding and exercisable as at February 28, 2019 was \$Nil.

Warrants

During the year ended August 31, 2018, the Company issued 16,781,900 warrants attached to units in private placements and 922,690 broker warrants in connection with the private placements, see Note 7 for disclosure of the terms of the warrants. The fair value of the brokers warrants was \$27,791, recorded as share issuance costs off-setting the gross proceeds of private placements in additional-paid-in-capital, and was calculated using the Black Scholes option pricing model, with the following weighted average assumptions: expected volatility 152%, risk-free interest rate: 2.10%, expected life: 2.43 years, dividend yield: 0.00%.

During the six month period ended February 28, 2019, the Company issued 2,225,000 warrants attached to units in private placements and 202,500 broker warrants in connection with the private placements. The fair value of the brokers warrants was \$4,620, recorded as share issuance costs off-setting the gross proceeds of private placements in additional-paid-in-capital, and was calculated using the Black Scholes option pricing model, with the following weighted average assumptions: expected volatility 150%, risk-free interest rate: 2.89%, expected life: 3 years, dividend yield: 0.00%.

A summary of warrants as at February 28, 2019 and August 31, 2018 is as follows:

	Number of warrants	Warrants Outstanding Weighted Average Exercise Price
Balance, August 31, 2017	39,191,810	\$0.09
Expired	(16,107,340)	0.12
Issued	17,704,590	0.06
Exercised	(50,000)	) 0.07
Balance, August 31, 2018	40,739,060	\$0.06
Expired	(9,444,071)	0.06
Issued	2,427,500	0.05
Balance, February 28, 2019	33,722,489	\$0.06

Number	Exercise	Expiry
Outstanding¹	Price	Date
2,427,500	\$0.050	September 21, 2021
4,800,000	\$0.050	August 31, 2021
2,540,000	\$0.075	May 25, 2020
1,891,590	\$0.075	May 11, 2020
1,688,600	\$0.060	January 12, 2020
4,184,400	\$0.060	December 8, 2019
2,600,000	\$0.060	November 1, 2019
3,253,333	\$0.050 and \$0.10 after 18 months	June 8, 2019
6,882,666	\$0.050 and \$0.10 after 18 months	May 20, 2019
3,454,400	\$0.120	April 29, 2019
33,722,489		

1. Each warrant entitles a holder to purchase one common share.

9.COMMITMENTS - OTHER

(a)The Company has a consulting agreement with the President of the Company for corporate administration and consulting services for \$3,500 per month plus goods and services tax ("GST") on a continuing basis.

10. SEGMENTED INFORMATION

As at February 28, 2019 and August 31, 2018, the Company is operating its business in one reportable segment: natural resource acquisitions. All of the Company's material long-lived assets are located in the United States.

11.SUBSEQUENT EVENT

On March 27, 2019, the Company closed the final tranche of a private placement of 5,506,769 units at a price of CAD\$0.026 per unit for gross proceeds of CAD\$143,176. Each unit consists of one common share of the Company and one share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 48 months from the date of issuance, at a purchase price of \$0.04. A cash finders' fee of CAD\$13,068 and 502,600 full broker warrants that expire March 27, 2023 was paid to third parties. The broker warrants have the same terms as the warrants issued as part of the unit offering.

(a) Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This quarterly report contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled "Risk Factors", that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Our unaudited condensed financial statements are stated in United States Dollars (US\$) and are prepared in accordance with United States Generally Accepted Accounting Principles. The following discussion should be read in conjunction with our unaudited condensed financial statements and the related notes that appear elsewhere in this quarterly report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this quarterly report, particularly in the section entitled "Risk Factors" of this quarterly report.

In this quarterly report, unless otherwise specified, all dollar amounts are expressed in United States dollars. All references to "CDN\$" refer to Canadian dollars and all references to "common shares" refer to the common shares in our capital stock.

As used in this quarterly report, the terms "we", "us", "our" and "Company" mean Company and/or our subsidiaries, unless otherwise indicated.

Overview

Enertopia Corp. was formed on November 24, 2004 under the laws of the State of Nevada and commenced operations on November 24, 2004.

From inception until April 2010, we were primarily engaged in the acquisition and exploration of natural resource properties. Beginning in April 2010, we began our entry into the renewable energy sector by purchasing an interest in a solar thermal design and installation company. In late summer 2013, we began our entry into medicinal marijuana business. During our 2014 fiscal year end our activities in the clean energy sector were discontinued. During fiscal 2015 our activities in the Medicinal Marijuana sector were discontinued. During fiscal 2016 our activities in the Women's personal healthcare sector were discontinued.

The Company is actively pursuing business opportunities in the resource sector, whereby we signed a definitive agreement for a Lithium Brine Project in May 2016. In May 2017 the Company dropped the Lithium Brine Project and subsequently acquired the Clayton Valley, NV Lithium Project announced in August 2017. The Company's main focus is in natural resource sector.

The address of our principal executive office is #22 1873 Spall Road, Kelowna, British Columbia V1Y 4R2. Our telephone number is (250) 870-2219. Our current location provides adequate office space for our purposes at this stage

of our development.

Due to the implementation of British Columbia Instrument 51-509 on September 30, 2008 by the British Columbia Securities Commission, we have been deemed to be a British Columbia based reporting issuer. As such, we are required to file certain information and documents at www.sedar.com.

Summary of Recent Business

On September 21, 2018, the Company closed the final tranche of a private placement of 2,225,000 units at a price of CAD\$0.03 per unit for gross proceeds of CAD\$66,750. Each unit consists of one common share of the Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 36 months from the date of issuance, at a purchase price of \$0.05. A cash finders' fee of CAD\$6,075 and 202,500 full broker warrants that expire September 21, 2021 was paid to third parties. The broker warrants have the same terms as the warrants issued as part of the unit offering.

Chronological Overview of our Business over the Last Five Years

On March 5, 2014, our Company and our CEO and Director, Robert McAllister, entered into a Joint Venture Agreement with Lexaria Corp. to jointly source and develop business opportunities in the medical marijuana industry. Pursuant to the terms of the agreement, Lexaria Corp. issued to our Company 1 million restricted common shares and issued 500,000 common shares to Mr. McAllister for his participation as a key representative for the joint venture. Additionally, Lexaria agreed to issue to Mr. McAllister options to purchase 500,000 common shares of Lexaria in consideration for Mr. McAllister's participation on the Lexaria Advisory Board.

On March 10, 2014, our Company's Board appointed Mathew Chadwick as Senior Vice President of Marijuana Operations and entered into a Management Agreement with Mr. Chadwick for his services. The initial term of the agreement began on the date of execution of this agreement and continued for six months. Thereafter the agreement continued on a month-by-month basis until it was terminated on October 16, 2014 pursuant to a termination and settlement agreement, dated effective October 14, 2014, with World of Marijuana Productions Ltd. and Mr. Chadwick. We paid in total \$125,000 to Mr. Chadwick pursuant to the Management Agreement. Mr. Chadwick resigned as a director and officer of our Company on October 16, 2014.

On March 11, 2014, Robert Chadwick and Clayton Newbury joined the Company as advisors and were each paid a \$1,000 honorarium. Robert Chadwick was issued a one-time 100,000 common shares of our Company. On March 11, 2014, we granted 100,000 stock options to Robert Chadwick with an exercise price of \$0.68 per share expiring March 11, 2019. 50,000 of the stock options vested immediately, and 50,000 vested on September 11, 2014. We also granted 100,000 options to Clayton Newbury on the same terms. Robert Chadwick and Clayton Newbury stepped down as advisors on October 17, 2014.

On March 14, 2014, we signed a six month contract for \$21,735 with The Money Channel to provide services for national television, internet and radio media campaign.

On March 14, 2014, 815,310 warrants from previous private placements were exercised into 815,310 common shares of our Company for net proceeds of \$163,062.

On March 14, 2014, we accepted and received gross proceeds from a director of our Company of CAD\$8,250 (US\$7,500), for the exercise of 50,000 stock options at an exercise price of \$0.15, into 50,000 common shares of our Company.

On March 17, 2014, 1,548,000 warrants from previous private placements were exercised into 1,548,000 common shares of our Company for net proceeds of US\$289,475.

On March 25, 2014, we accepted and received gross proceeds of \$67,750, for the exercise of 325,000 stock options at \$0.06 to \$0.25 each, into 325,000 common shares of our Company.

On March 25, 2014, 1,095,000 warrants from previous private placements were exercised into 1,095,000 common shares of our Company for net proceeds of US\$114,250.

Edgar Filing: Enertopia Corp. - Form 10-Q

On March 26, 2014, our Board appointed Dr. Robert Melamede as an Advisor to the Board of Directors. We paid to Dr. Melamede, an honorarium of \$2,500 for the first year of participation on our Advisory Board and issued 250,000 shares of our common stock. On March 26, 2014 we granted to Dr. Melamede 500,000 stock options with an exercise price of \$0.70 and expiring March 26, 2019. 250,000 of the stock options vested immediately and the remaining 250,000 stock options vested on September 26, 2014, Dr. Melamede stepped down as an advisor on June 16, 2015.

Edgar Filing: Enertopia Corp. - Form 10-Q

On April 1, 2014, we entered into a one year consulting agreement with Kristian Dagsaan to provide controller services for CAD\$3,000 (plus goods and services tax) per month. We also granted 100,000 fully vested stock options with an exercise price of \$0.86, expiring April 1, 2019. The agreement was cancelled effective August 31, 2014.

On April 1, 2014, we entered into a 90 day investor relations contract for CAD \$9,000 with Ken Faulkner. We also granted 100,000 fully vested stock options to Mr. Faulkner with an exercise price of \$0.86, expiring April 1, 2019.

On April 3, 2014, we entered into another 3 month Social Media/Web Marketing Agreement with Stuart Gray. In consideration for the services the Company we agreed to pay Mr. Gray a monthly fee of \$5,000. Upon execution of the Agreement, we issued 100,000 stock options to Mr. Gray with an exercise price of \$0.72, expiring on April 3, 2019. The agreement was terminated on July 31, 2014.

On April 3, 2014, 1,293,500 warrants from previous private placements were exercised into 1,293,500 common shares of our Company for net proceeds of US\$177,950.

On April 3, 2014, we accepted and received gross proceeds from past consultant of our Company of US\$1,500 for the exercise of 25,000 stock options at an exercise price of \$0.06, into 25,000 common shares of our Company.

On April 8, 2014, we granted 50,000 fully vested stock options to a consultant of our Company, Taven White. The stock options are exercisable at \$0.50 per share and expire on April 8, 2019.

On April 10, 2014, we entered into a Letter of Intent ("LOI") with Lexaria Corp regarding the establishment of a joint venture to establish a medical marijuana production facility in Burlington, Ontario under the MMPR regulations. Pursuant to the LOI Lexaria issued 500,000 of its common shares to our company to be held in escrow subject to receipt of an MMPR production license by our joint venture. Lexaria also contributed \$55,000 to acquire a 49% interest in the joint venture and the responsibility to pay 55% of all joint venture expenses. We contributed \$45,000 for a 51% interest and the responsibility to pay 45% of all expenses. We were to be responsible for management of the joint venture for as long as we maintained majority ownership.

Also, effective April 10, 2014 the Burlington Joint Venture entered into a letter of intent with Mr. Jeff Paikin on behalf of 1475714 ONTARIO INC. to secured a future lease for a 30,000 ft² medical marijuana production space in Burlington, Ontario. We also acquired a right of first refusal for another 45,000 ft² to accommodate future growth. We issued 38,297 common shares to Mr. Paikin at a deemed price of \$0.47 to secure our interest in the lease. The production target for the facility based on 30,000 ft² (with approximately 50% devoted to production space) was approximately 10,000 kilograms per year production.

On April 14, 2014, the Company appointed Mr. Jeff Paikin to its Advisory Board for a period of not less than one year, but to be determined by certain performance thresholds described in the letter. Upon signing of the letter of acceptance the Company issued 90,000 common shares at a deemed price of \$0.34. Based on the milestones listed in the letter, Mr. Paikin can be eligible to receive up to a total of 472,500 common shares of the Company. Consulting agreement amended on June 18, 2014, Mr. Paikin can be eligible to receive up to a total of 1,350,000 common shares of the Company. Based on the milestones listed in the amended contract, the Company issued Mr. Paikin 135,000 common shares at a deemed price of \$0.14 on July 14, 2014.

On April 17, 2014, our Company accepted and received gross proceeds from a director of CAD\$8,475 (US\$7,500), for the exercise of 50,000 stock options at \$0.15 into 50,000 common shares of our Company.

On April 17, 2014, 651,045 warrants from previous private placements were exercised into 651,045 common shares of our Company for net proceeds of \$110,209.

On April 24, 2014 our Company entered into a one year consulting contract with Clark Kent as Media Coordinator for a monthly fee of CAD\$2,250 plus GST. We issued 90,000 common shares to the consultant at a deemed price of \$0.34. Based on the milestones listed in the contract, Mr. Kent can be eligible to receive up to a total of 472,500 common shares of our Company. On June 18, 2014, the consulting agreement was amended so that Mr. Kent can be eligible to receive up to a total of 1,350,000 common shares of our Company. Based on achievement of the milestones listed in the amended contract, we issued to Mr. Kent 135,000 common shares at a deemed price of \$0.14 on July 14, 2014. This agreement was terminated on February 4, 2015.

On April 24, 2014 we entered into a one year consulting contract with Don Shaxon as Ontario Operations Manager for a monthly fee of CAD\$3,375 plus GST. Upon signing of the contract we issued to Mr. Shaxon 90,000 common shares at a deemed price of \$0.34. Based on the milestones listed in the contract, Mr. Shaxon can be eligible to receive up to a total of 472,500 common shares of our Company. We amended the consulting agreement on June 18, 2014, following which Mr. Shaxon became eligible to receive up to a total of 1,350,000 common shares of our Company. Based on achievement of the milestones listed in the amended contract, we issued to Mr. Shaxon 135,000 common shares at a deemed price of \$0.14 on July 14, 2014. The agreement was terminated on June 16, 2015.

On April 24, 2014 we entered into a one year consulting contract with 490072 Ontario Ltd. operating as HEC Group, for the services of Greg Boone as Human Resources Manager. Upon signing of the contract we issued 90,000 common shares at a deemed price of \$0.34. Based on the milestones listed in the contract, Mr. Boone or his company can be eligible to receive up to a total of 472,500 common shares of our Company. We amended the agreement on June 18, 2014, further to which Mr. Boone became eligible to receive up to a total of 1,350,000 common shares of our Company. Based on achievement of the milestones listed in the amended contract, the Company issued Mr. Boone 135,000 common shares at a deemed price of \$0.14 on July 14, 2014. This agreement was terminated on February 4, 2015.

On April 24, 2014 we entered into a one year consulting contract with Jason Springett as Master Grower for Ontario Operations for a monthly fee of \$3,375 plus GST. Upon signing of the contract we issued 90,000 common shares at a deemed price of \$0.34. Based on the milestones listed in the contract, Mr. Springett was eligible to receive up to a total of 472,500 common shares of the Company. We amended the agreement on June 18, 2014 further to which Mr. Springett became eligible to receive up to a total of 1,350,000 common shares of our Company. Based on achievement of the milestones listed in the amended contract, we issued Mr. Springett 135,000 common shares at a deemed price of \$0.14 on July 14, 2014. This agreement was terminated on June 16, 2015.

On April 24, 2014 we entered into a one year consulting contract with 2342878 Ontario Inc. for the services of Chris Hornung as Assistant Operations Manager. Upon signing of the contract we issued 90,000 common shares to the consultant at a deemed price of \$0.34. Subject to achievement of the milestones listed in the contract, Mr. Hornung or his company were eligible to receive up to a total of 472,500 common shares of our Company. Mr. Hornung resigned on July 14, 2014 prior to the accrual of additional compensation. The 90,000 common shares of the Company that were issued have been returned back to treasury on September 24, 2014.

On April 30, 2014, 200,000 warrants from previous private placements were exercised into 200,000 common shares of our Company for net proceeds of \$40,000.

On May 3, 2014 we entered into a one year consulting contract with B. Mullan and Associates for the services of Brian Mullan as Security Consultant. Upon signing of the contract we issued to the consultant 45,000 common shares at a deemed price of \$0.28. Subject to achievement of the milestones listed in the contract, Mr. Mullan or his company are be eligible to receive up to a total of 225,000 common shares of our Company. Subsequently, we issued an additional 45,000 common shares to the consultant at a deemed price of \$0.14 on July 14, 2014. This agreement was terminated on February 4, 2015.

On May 28, 2014, our LOI with Lexaria was replaced by a definitive joint venture agreement (the "Burlington Joint Venture") to establish a medical marijuana production facility under the MMPR at our planned Burlington, Ontario location. We received municipal zoning approval for the proposed site in July, 2014. Design and construction of the proposed facility was anticipated to cost approximately \$3,000,000, and we would be responsible for \$1,350,000 of this cost. Unable to estimate when a production license might be granted by Health Canada, the joint venture sought assurances from Health Canada prior to commencement of construction. In the event that Health Canada did not grant a production license by May 27, 2015, the Burlington Joint Venture was to terminate.

On May 29, 2014, we accepted and received gross proceeds of \$20,000 for the exercise of 200,000 warrants at \$0.10 each into 200,000 common shares of our Company.

Edgar Filing: Enertopia Corp. - Form 10-Q

On June 2, 2014, we signed a 30 day contract for \$10,000 with TDM Financial to provide services for original video production, original coverage, network placement of video and article, article and video syndication, email distribution, and reporting.

On June 9, 2014, Pursuant to our 12 month marketing agreement with Agoracom dated February 27, 2014, we made a second quarter payment to Agoracom of \$12,500 plus GST paid by the issuance of 72,917 common shares of the Company at a market price of \$0.18 per share.

On July 1, 2014, we entered into a one year services agreement with TDM Financial for \$120,000 payable in common shares of our Company. TDM Financial will provide marketing solutions and strategies to our Company. Upon the signing of the contract with TDM Financial, we issued 750,000 common stock of our Company at a deemed price of \$0.16.

On July 23, 2014, 252,000 warrants from previous private placements were exercised into 252,000 common shares of our Company for net proceeds of \$25,200.

On August 1, 2014 we entered into a three month Investor Relations and Marketing Agreement with Neil Blake with a monthly fee of CAD\$2,500.

On August 1, 2014, through our wholly owned subsidiary Thor Pharma Corp. we signed an extension to the letter of intent with 1475714 ONTARIO INC. and Lexaria Canpharm Corp. (a subsidiary of Lexaria) to secure a 5 year lease on the Burlington, Ontario facility for our Burlington Joint Venture. In consideration of the extension, on August 5, 2014, we issued 118,416 of our common shares of to the lessor at a deemed price of \$0.19 per share.

On September 16, 2014, our joint venture with the Green Canvas Ltd. made an application to Health Canada under the Marihuana for Medical Purposes Regulations (MMPR) to obtain a medical marijuana production license for a proposed facility located near Regina, Saskatchewan. Pursuant to the joint venture agreement, if a Health Canada production license was not received by the first anniversary date of the agreement (February 28, 2015) our company would have no further obligations under the joint venture. If a license was obtained by February 28, 2015, we would be responsible to pay to the GCL \$250,000 and 3,000,000 common shares in consideration of an additional 2% interest in the joint venture.

On September 18, 2014 we announced that we had provided notice to WOM alleging default under the terms of the joint venture agreement for, among other things, WOM's failure to provide an accounting and financial information for the use of proceeds paid into the joint venture. On October 16, 2014 we entered into a termination and settlement agreement, dated effective October 14, 2014, with WOM and Mathew Chadwick (WOM's representative and our former director), pursuant to which we relinquished our 31% interest in the joint venture and exchanged mutual releases with WOM and Mr. Chadwick. Mr. Chadwick resigned from our board of directors and as an officer of our company, and WOM returned for cancellation 15,127,287 of our common shares that had been issued to it. Given the foregoing, all relationships between the parties, including but not limited to the joint venture, have been terminated. No production license under the MMRP had been awarded or was forthcoming at the time of termination.

On October 16, 2014, we entered into a termination and settlement agreement, dated effective October 14, 2014, with World of Marihuana Productions Ltd. ("WOM") and Mathew Chadwick (WOM's representative and our former director), pursuant to which we relinquished our 31% interest in the joint venture and exchanged mutual releases with WOM and Mr. Chadwick. Mr. Chadwick resigned from our board of directors and as an officer of our company, and WOM returned for cancellation 15,127,287 of our common shares that had been issued to it. Given the foregoing, all relationships between the parties, including but not limited to the joint venture, have been terminated. No production license under the MMRP had been awarded or was forthcoming at the time of termination.

Edgar Filing: Enertopia Corp. - Form 10-Q

On November 3, 2014, the Company granted 2,100,000 stock options to directors, officers and consultants of the Company, vesting immediately with an exercise price of \$0.10, expiring November 3, 2019.

On November 18, 2014, the Company granted 100,000 stock options to a consultant of the Company, vesting immediately with an exercise price of \$0.10, expiring November 18, 2019.

On January 30, 2015, we closed the first tranche of a private placement of 1,665,000 units at a price of CAD\$0.06 per unit for gross proceeds of US\$79,920, CAD\$99,900. Each Unit consists of one common share of the Company and full non-transferable Share purchase warrant. Each Warrant will be exercisable into one further Share at a price of US\$0.10 per Warrant Share at any time until the close of business on the day which is 24 months from the date of issue of the Warrant, and thereafter at a price of US\$0.15 per Warrant Share at any time until the close of business on the day which is 36 months from the date of issue of the Warrant.

Edgar Filing: Enertopia Corp. - Form 10-Q

On February 6, 2015, the Company's Board has appointed Bal Bhullar as a Director of the Company. Ms. Bhullar has been and continues to be the Chief Financial Officer of the Company since October 9, 2009.

February 6, 2015, the Board of Directors accepted the resignation of John Thomas as Director of the Company.

On February 9, 2015, Enertopia announced the launch of a new product line V-Love™ for women's sexual pleasure. V-Love™ is a brand new water based, silky smooth fragrance free personal lubricant and intimate gel especially designed for women.

On March 12, 2015, the Company closed its final tranche of a private placement of 590,000 units at a price of CAD\$0.06 per unit for gross proceeds of CAD\$35,400. Each unit consists of one common share of the Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 36 months from the date of issuance, at a purchase price of US\$0.10 during the first 24 months and at US\$0.15 after 24 months. A cash finders' fee of CAD\$2,832 and 47,200 full broker warrants that expire on March 12, 2018 was paid to Canaccord Genuity.

In May, 2015, V-Love™ was available to the retail market for purchase in stores and at various events.

On June 11, 2015, we entered into a mutual Termination Agreement with The Green Canvas Ltd. pursuant to which we terminated our relationship and relinquished our 49% interest in the joint venture to establish a medical marijuana production facility near Regina, Saskatchewan. In consideration of the termination, The Green Canvas returned for cancellation 6,400,000 shares of our common stock previously issued to GCL.

On June 11, 2015, we entered into a Letter of Intent dated June 10, 2015 with Shaxon Enterprises Ltd. to sell our 51% interest in our Burlington Joint Venture with Lexaria Corp., including our interest in MMPR application number 10QMM0610 for the proposed Burlington, Ontario production facility. The sale would be completed by the sale of our wholly owned subsidiary, Thor Pharma Corp.

Subsequent to the LOI with Shaxon Enterprises Ltd., the Burlington Joint Venture between Enertopia and Lexaria which was entered into on May 28, 2014 was terminated due to the pending sale of the project. As a result of the termination, 500,000 restricted and escrowed common shares of Lexaria issued to our Company at a deemed price of \$0.40 will be returned to treasury and cancelled. The Enertopia and Lexaria Master Joint Venture Agreement entered into on March 5, 2014 is still effective and governs the relationship between the parties.

On June 26, 2015, we signed a Definitive agreement to sell our wholly owned subsidiary, Thor Pharma Corp along with the MMPR application number 10MMPR0610. The Burlington MMPR license application will continue in the application process under new ownership. Pursuant to the agreement, we received a non-refundable \$10,000 deposit and are entitled to receive up to \$1,500,000 in milestone payments upon the Burlington facility becoming licensed under the MMPR. These monies would be split equally with Lexaria Corp. Notwithstanding the foregoing, we can neither guarantee nor provide a meaningful time estimate regarding the potential grant of a production license for the Burlington facility.

On June 29, 2015, we that announced V-Love™ became available at London Drugs Limited stores. V-Love™ is currently available at London Drugs stores across Western Canada in the provinces of British Columbia, Alberta, Saskatchewan and Manitoba.

On July 7, 2015 we announced that V-Love™ became available for purchase online in Canada at Amazon.ca.

On July 30, 2015 we announced the launch of V-Love.co, our product website for V-Love™. As at August 31, 2016, with the Company's strategic direction mostly being focused on natural resources and technology relating to the resource sector, the health and wellness portion of the business is discontinued.

On October 23, 2015, the Company's Board has appointed Kevin Brown as a Director of the Company and Victor Lebouthillier as an advisor to the Board of Directors.

On October 23, 2015, the Board of Directors accepted the resignation of Donald Findlay as Director of the Company.

On October 23, 2015, we granted 1,850,000 stock options to Directors, Executives and Consultants of the Company. The exercise price of the stock options is \$0.05, vested immediately, expiring October 23, 2020.

On December 16, 2015, extended two classes of warrants by two years with all other terms and conditions remaining the same. We approved the expiry extension from January 31, 2016 till January 31, 2018 on 2,167,160 warrants that remain outstanding from the non-brokered private placement that closed on January 31, 2014. The Company approved the expiry extension from February 13, 2016 till February 13, 2018 on 7,227,340 warrants that remain outstanding from the non-brokered private placement that closed on February 13, 2014.

On February 4, 2016, the Company's Board has appointed Olivier Vincent as an Advisor the Board of Directors and a consultant for a term of one year and granted 100,000 stock options to Olivier Vincent. The exercise price of the stock options is \$0.05, vested immediately, expiring February 4, 2021. We issued 100,000 common shares at a price of \$0.05 per share on exercise of these options.

On March 9, 2016, we closed a binding Letter of Intent to acquire 100% of an established profitable private nutritional vitamin/supplement company. The private nutritional vitamin/supplement company has been in business for over 5 years showing good positive cash flows. All products are manufactured by a GMP, NSF, FDA approved manufacturer in the United States. Enertopia has agreed subject to further due diligence, review of financials and financing to a total amount of \$350,000 for the acquisition, with \$300,000 due on the signing of the Definitive Purchase Agreement. The Definitive Purchase Agreement is expected to be completed before the end of April. The Company did not further pursue this.

On April 21, 2016, Enertopia has signed a binding letter of intent with a to enter into negotiations to effect the optional acquisition of certain placer mining claims (the "Claims") in Nevada covering approximately 2,560 acres from S P W Inc. S P W Inc. holds the Claims directly ("Underlying Owner"). Upon the closing date of the transaction (the "Effective Date") S P W Inc. will have the right to transfer, option, sell or assign the Claims to Enertopia. The Placer mining claims and any underlying agreements will be acquired by Enertopia through a mineral property option agreement, an assignment agreement or an asset acquisition (the "Transaction").

On May 12, 2016 Enertopia has signed the Definitive Agreement with the Vendor respecting the option to purchase a 100% interest in approximately 2,560 acres of placer mining claims in Churchill, Lander and Nye Counties Nevada, USA. These placer mining claims are subject to a 1.5% NSR from commercial production with the Company able to buy back the NSR at the rate of \$500,000 per 0.5% NSR.

On May 20, 2016, Enertopia closed the first tranche of a private placement of 6,413,333 units at a price of CAD\$0.015 per unit for gross proceeds of US\$74,074 (CAD\$96,200). Each Unit consists of one common share of the Company and full non-transferable Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will be exercisable into one further Share (a "Warrant Share") at a price of US\$0.05 per Warrant Share at any time until the close of business on the day which is 18 **months** from the date of issue of the Warrant, and thereafter at a price of US\$0.10 per Warrant Share at any time until the close of business on the day which is 36 **months** from the date of issue of the Warrant.

On June 8, 2016, Enertopia closed its final tranche of a private placement of 3,016,667 units a price of CAD\$0.015 per unit for gross proceeds of US\$34,390 (CAD\$45,250). Each Unit consists of one common share of the Company and full non-transferable Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will be exercisable into one further Share (a "Warrant Share") at a price of US\$0.05 per Warrant Share at any time until the close of business on the day which is 18 **months** from the date of issue of the Warrant, and thereafter at a price of US\$0.10 per Warrant Share at any time until the close of business on the day which is 36 **months** from the date of issue of the Warrant. A cash finders' fee of CAD\$3,300 and 286,666 full broker warrants that expire June 8, 2019 was

paid to Canaccord Genuity, Leede Jones Gable, PI Financial and Mackie Research.

On August 9, 2016, we closed the first tranche of a private placement of 4,500,000 units at a price of CAD\$0.035 per unit for gross proceeds of CAD\$157,500. Each unit consists of one common share of our Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of our Company for a period of 24 months from the date of issuance, at a purchase price of US\$0.07.

Edgar Filing: Enertopia Corp. - Form 10-Q

On August 10, 2016, we retained a private consulting firm to assist with mergers, acquisitions and market awareness for a 12 month contract. The consulting firm operates a resource holding company that has been active in acquiring out of favor mining assets over the past several years. It also provides breaking news, commentary and analysis on listed companies. We engaged and paid the consulting firm USD\$75,000.

On August 15, 2016 binding Letter of Intent was signed by us and Genesis Water Technologies, Inc. ("GWT") with regard to the acquisition by Enertopia (the "Acquisition") of the exclusive worldwide licensing rights (the "Licensing Rights") of all of the technology used in the process of recovering and extraction of battery grade lithium carbonate powder Li_2CO_3 grading 99.5% or higher purity from brine solutions (the "Technology") and covered under patent pending process #XXXXXX (the "Pending Patent"). On August 15, 2016, we issued 250,000 common shares at an exercise price of \$0.05 per share as per the binding LOI signed with Genesis Water Technologies Inc.

On August 31, 2016, with the Company's strategic direction mostly being focused on natural resources and technology relating to the resource sector, the health and wellness portion of the business is discontinued.

On September 19, 2016, we entered into a one year Investor Relations Consulting agreement with Duncan McKay. Based on the terms of the agreement, Mr. McKay can earn up to a maximum of 10% commissions on capital raised. We issued 800,000 stock options with an exercise price of \$0.07.

On September 23, 2016, we closed the final tranche of a private placement of 3,858,571 units at a price of CAD\$0.035 per unit for gross proceeds of CAD\$135,050. Each unit consists of one common share of our Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of our Company for a period of 24 months from the date of issuance, at a purchase price of US\$0.07. A cash finders' fee of CAD\$3,300 and 286,666 full broker warrants that expire June 8, 2019 was paid to Canaccord Genuity and Leede Jones Gable.

On October 7, 2016, we issued 175,000 common shares of our Company and paid \$5,000 to comply with the Definitive Agreement signed May 12, 2016.

On December 6, 2016, we signed a Definitive Commercial Agreement with Genesis Water Technologies with regard to the acquisition of exclusive licensing rights of the technology as outlined in the agreement.

On January 20, 2017, the Company closed the first tranche of a private placement of 1,000,000 units at a price of CAD\$0.04 per unit for gross proceeds of CAD \$40,000. Each unit consists of one common share of the Company and one-nontransferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 24 months from the date of issuance, at a purchase price of \$0.06. A cash finders' fee of CAD\$800 and 20,000 full broker warrants that expire January 20, 2019 was paid to Leede Jones Gable Inc.

On January 20, 2017, the Company granted 1,535,000 stock options to directors, officers and consultant of the Company with an exercise price of \$0.07 which vested immediately, expiring January 20, 2022.

On January 31, 2017, the Company granted 1,500,000 stock options to consultant of the Company with an exercise price of \$0.07 vested immediately, expiring January 31, 2022.

On February 28, 2017, the Company closed the first tranche of a private placement of 4,250,000 units at a price of CAD\$0.04 per unit for gross proceeds of CAD \$170,000. Each unit consists of one common share of the Company and one-nontransferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 24 months from the date of issuance, at a purchase price of \$0.06. A cash finders' fee of CAD\$11,100 and 227,500 full broker warrants that expire February 28, 2019 was paid to Leede Jones Gable Inc., Canaccord Genuity and Duncan McKay.

Edgar Filing: Enertopia Corp. - Form 10-Q

On February 28, 2017, the Company signed a Letter of Engagement with Adam Mogil and issued 1,000,000 warrant options to convert to 1,000,000 common shares to Adam Mogil to provide corporate services. The warrants have an exercise price of \$0.09 and expire August 28, 2017. These warrant options expired without being exercised.

On April 21, 2017, the Company issued 95,500 shares for gross proceeds of \$5,685 from the exercise of warrants of previous financings at \$0.05 and \$0.07.

Edgar Filing: Enertopia Corp. - Form 10-Q

On April 30, 2017 the Company issued 166,500 shares for gross proceeds of \$11,655 from the exercise of warrants from a previous financing at \$0.07.

On April 30, 2017, the Company closed the first and final tranche of a private placement of 3,224,000 units at a price of CAD\$0.09 per unit for gross proceeds of CAD \$290,160. Each unit consists of one common share of the Company and one-nontransferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 24 months from the date of issuance, at a purchase price of \$0.12. A cash finders' fee of CAD\$20,736 and 230,400 full broker warrants that expire April 28, 2019 was paid to Leede Jones Gable and Canaccord Genuity.

On May 5, 2017, the Company granted 500,000 stock options to consultant of the Company with an exercise price of \$0.10 vested immediately, expiring May 5, 2022.

On May 5, 2017, the Company terminated the Definitive Agreement dated May 12, 2016 with the Vendor on the Nevada Lithium brine properties.

On July 31, 2017, the Company announced the resignation of CFO and Director Bal Bhullar, the appointment of Kristian Ross as director and president Robert McAllister assuming the interim duties of CFO.

On August 14, 2017 the Company announced the appointment of Davidson and Company, LLP, Chartered Professional Accountants as its new independent registered auditing firm which replaced MNP LLP independent registered auditing firm.

On August 30, 2017 the Company announced the Staking of lode and placer claims covering approximately 160 acres for Lithium in Clayton Valley, NV.

On October 27, 2017 we entered into a one year Investor Relations Consulting agreement with FronTier Merchant Capital Group. Terms of the agreement, FronTier Capital Group has been retained for a 12-month period at \$87,000 (plus applicable sales tax) per annum plus direct expenses. The company will also grant 300,000 stock options to FronTier at an exercise price of 0.05 per share expiring 5 years from the date of grant.

On November 1, 2017, we closed the first tranche of a private placement of 2,600,000 units at a price of CAD\$0.05 per unit for gross proceeds of CAD\$130,000. Each unit consists of one common share of our Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of our Company for a period of 24 months from the date of issuance, at a purchase price of \$0.06.

On November 1, 2017, we granted 500,000 stock options to a director of the company at an exercise price of 0.05 per share expiring 5 years from the date of grant.

On December 8, 2017, we closed the second tranche of a private placement of 3,954,000 units at a price of CAD\$0.05 per unit for gross proceeds of CAD \$197,700. Each unit consists of one common share of our Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of our Company for a period of 24 months from the date of issuance, at a purchase price of \$0.06. A cash finder's fee for CAD \$12,770 and 230,400 full broker warrants was paid to third parties. Each full broker warrant entitling the holder to purchase one additional common share of our Company for a period of 24 months from the date of issuance, at a purchase price of \$0.06.

On December 8, 2017 we issued 240,000 common shares of our Company on the exercise of 240,000 stock options that were exercised by a director of the Company at \$0.05 for \$12,000 for net proceeds to the company.

Edgar Filing: Enertopia Corp. - Form 10-Q

On December 15, 2017 we paid Genesis Water Technologies (GWT) \$96,465 for the second and final payment for the Second phase of the second bench test and \$8,998 for the bill of materials for the bench test.

On January 12, 2018, we closed the final tranche of a private placement of 1,611,000 units at a price of CAD\$0.05 per unit for gross proceeds of CAD\$80,550. Each unit consists of one common share of the Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 24 months from the date of issuance, at a purchase price of \$0.06. A cash finder's fee of CAD\$3,880 and 77,600 broker warrants was paid to a third party. The broker warrants have the same terms as the warrants issued as part of the unit offering.

Edgar Filing: Enertopia Corp. - Form 10-Q

On February 2, 2018 we issued 50,000 common shares of our Company on the exercise of 50,000 warrants that were exercised at \$0.07 for \$3,500 for net proceeds to the company.

On May 11, 2018, we issued 200,000 shares for gross proceeds of \$12,000 from the exercise of stock options at \$0.06.

On May 11, 2018, we closed the first tranche of a private placement of 1,746,900 units at a price of CAD\$0.06 per unit for gross proceeds of CAD\$104,814. Each unit consists of one common share of the Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 24 months from the date of issuance, at a purchase price of \$0.075. A cash finders' fee of CAD\$9,281 and 144,690 full broker warrants that expire May 11, 2020 was paid to third parties. The broker warrants have the same terms as the warrants issued as part of the unit offering.

On May 22, 2018, we entered into an Investor Relations Consulting agreement with FrontTier Flex Marketing. Terms of the agreement, FrontTier Flex Marketing has been retained for a 9-month period at \$66,000 (plus applicable sales taxes) plus direct expenses. The Company will also grant 300,000 stock options at an exercise price of \$0.07 per share expiring 5 years from the date of grant.

On May 25, 2018, we closed the final tranche of a private placement of 2,470,000 units at a price of CAD\$0.06 per unit for gross proceeds of CAD\$148,200. Each unit consists of one common share of the Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 24 months from the date of issuance, at a purchase price of \$0.075. A cash finders' fee of CAD\$5,820 and 70,000 full broker warrants that expire May 25, 2020 was paid to third parties. The broker warrants have the same terms as the warrants issued as part of the unit offering.

On July 4, 2018, the Company, after receiving 3rd party lab results that reported impurities above allowable limits for battery-grade Li₂CO₃, provided formal notice of termination to GWT of the commercialization agreement dated December 6, 2016 and as amended on October 9, 2017.

On August 31, 2018, we closed the first tranche of a private placement of 4,400,000 units at a price of CAD\$0.03 per unit for gross proceeds of CAD\$132,000. Each unit consists of one common share of the Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 36 months from the date of issuance, at a purchase price of \$0.05. A cash finders' fee of CAD\$12,000 and 400,000 full broker warrants that expire August 31, 2021 was paid to third parties. The broker warrants have the same terms as the warrants issued as part of the unit offering.

On August 31, 2018, we issued 170,000 shares for gross proceeds of \$9,000 from the exercise of 50,000 stock options at \$0.06 and 120,000 stock options at \$0.05 respectively.

Our Current Business

We are a development stage company pursuing business opportunities in diverse sectors natural resource and technology used in the resource sector currently specific to the extraction, recovery and concentration of Lithium.

Mineral Property

On August 30, 2017, the Company announced the staking of Lode and Placer claims of BLM lands in Esmeralda county Nevada covering approximately 160 Acres subject to adjustment. The Company has an 100% interest in the lands and is only responsible for the yearly maintenance fees to the BLM (estimated to be \$2,635) and County (estimated to be \$212) due November 1, 2018 to keep its 100% interest. During the year ending August 31, 2018, the Company paid \$2,859 in maintenance fees. The claims are in good standing until August 31, 2019. As at February 28, 2019, the Company has incurred BLM and county costs of \$Nil and associated surface sampling, assaying and 3rd

party drilling and lab testing of \$128,955.

Access to the property can be achieved by paved Hwy 265 to Silver Springs, NV or paved Hwy from north of Goldfields, NV. Access is then by graded gravel road. The last 1.8 miles to the property is by trail road using 4x4 vehicle. The property is covered with extensive outcroppings of the Esmeralda Formation. Power transmission line is within ½ mile of the northern property boundary. Water would have to be trucked in or by pipe line if a processing facility was built onsite. Of particular interest is a section of green, volcanoclastic, evaporate-rich mudstone strata known as the Frontera Verde zone that host lithium of potential economic significance. The Frontera Verde Zone is exposed over approximately 100 acres of the northern two thirds of the property, and underlies the rest of the property at shallow depths. Third party drilling adjacent to the west and eastern boundaries of the property supports this analysis. The property is without known reserves and the current work programs are exploratory in nature.

Current exploration is at the grass roots stage with surface sampling and two small 250 pound bulk samples being taken in 2017. The Company completed additional laboratory testing of synthetic brines. The Company continues to evaluate off the shelf technology to determine the preferred methods for potentially producing commercial products from the processing of synthetic brines.

On November 5, 2018, the Company received an Area of Disturbance permit from the Bureau of Land Management, Nevada, allowing the Company access for a series of diamond drill holes. The diamond drill program was completed in December 2018 and consisted of 5 diamond drill holes totaling approximately 2,000 feet. Four drill holes were for resource definition drilling to allow the Company to provide an inaugural 43-101 project wide lithium resource. A fifth diamond drill hole drilled to an estimated depth of approximately 265 feet with the recovered lithium enriched material being used for metallurgical and pH solution testing. The Company will undertake systematic and through solution testing of the drilled lithium enriched horizons. This will enable the Company to map the subsurface horizons as per oxide and reduced horizons and further differentiate the grade of Lithium in solution that can be potentially recovered in a low CAPEX and low-cost extraction methods.

Property Map

Esmeralda County Lode and Placer Claims:

Claim Name	Claim Type	BLM Serial #
STEVE 1	PLACER	NMC 1148769
STEVE 2	PLACER	NMC 1148770
STEVE 3	PLACER	NMC 1148771
STEVE 4	PLACER	NMC 1148772
STEVE 5	PLACER	NMC 1148773
STEVE 6	PLACER	NMC 1148774
STEVE 7	PLACER	NMC 1148775
STEVE 8	PLACER	NMC 1148776
DAN 1	LODE	NMC 1148760
DAN 2	LODE	NMC 1148761
DAN 3	LODE	NMC 1148762
DAN 4	LODE	NMC 1148763
DAN 5	LODE	NMC 1148764
DAN 6	LODE	NMC 1148765
DAN 7	LODE	NMC 1148766
DAN 8	LODE	NMC 1148767
DAN 9	LODE	NMC 1148768

LITHIUM TECHNOLOGY

On August 15, 2016, a binding Letter of Intent ("LOI") was signed by Enertopia and Genesis Water Technologies, Inc. ("GWT") with regard to the acquisition by Enertopia of the exclusive worldwide licensing rights (the "Licensing Rights") by Enertopia of all of the technology used in the process of recovering and extraction of battery grade lithium carbonate powder Li_2CO_3 grading 99.5% or higher purity from brine solutions.

Upon the execution of this LOI, Enertopia issued 250,000 common shares valued at \$12,500 to GWT.

On December 6, 2016, and amended on October 9, 2017, Enertopia and GWT signed a Definitive Commercial Agreement with regard to the acquisition by Enertopia of the exclusive licensing rights in the United States of America, Argentina, Bolivia and Chile of all of the technology used in the process of recovering and extraction of battery grade lithium carbonate powder Li_2CO_3 grading 99.5% or higher purity from brine solutions.

On July 4, 2018, the Company provided GWT with a formal notice of termination of the commercialization agreement. Following termination, the Company has no further obligations with respect to the commercialization agreement. As a result, for the year ended August 31, 2018, the Company wrote off capitalized costs of \$12,500.

On February 25, 2019 the Company announced the 3rd phase of solution testing would start in March 2019. With the goal of this round of testing to confirm that Lithium sourced from the drill core intervals completed in December 2018 could be recovered and concentrated using off the shelf technology under a potential low capex scenario.

Summary

The continuation of our business is dependent upon obtaining further financing, a successful program of development, and, finally, achieving a profitable level of operations. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

There are no assurances that we will be able to obtain further funds required for our continued operations. As noted herein, we are pursuing various financing alternatives to meet our immediate and long-term financial requirements. There can be no assurance that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, we will be unable to conduct our operations as planned, and we will not be able to meet our other obligations as they become due. In such event, we will be forced to scale down or perhaps even cease our operations. There is significant uncertainty as to whether we can obtain additional financing.

Competition

There is strong competition relating to all aspects of the resource sector. We actively compete for capital, skilled personnel, market share, and in all other aspects of our operations with a substantial number of other organizations. These organizations include small development stage companies like our own, and large, established companies, many of which have greater technical and financial resources than our company.

Compliance with Government Regulation

The exploration and development of mineral properties is subject to various United States federal, state and local and foreign governmental regulations. We may from time to time, be required to obtain licenses and permits from various governmental authorities in regards to the exploration of our property interests.

Purchase of Significant Acquisition

Not applicable

Corporate Offices

The address of our principal executive office is #22-1873 Spall Road, Kelowna, British Columbia V1Y 4R2. Our telephone number is (250) 870-2219. Our current location provides adequate office space for our purposes at this stage of our development.

Employees

We primarily used the services of sub-contractors and consultants for our intended business operations. Our technical consultant is Mr. McAllister, our president and a director.

We entered into a consulting agreement with Mr. Robert McAllister on December 1, 2007. During the term of this agreement, Mr. McAllister is to provide corporate administration and consulting services, such duties and responsibilities to include provision of oil and gas industry consulting services, strategic corporate and financial planning, management of the overall business operations of the Company, and supervising office staff and exploration and oil & gas consultants. Mr. McAllister is reimbursed at the rate of \$2,000 per month. On December 1, 2008, the consulting fee was increased to \$5,000 per month. We may terminate this agreement without prior notice based on a number of conditions. Mr. McAllister may terminate the agreement at any time by giving 30 days written notice of his intention to do so. Effective March 1, 2014, the Company entered into a new Management Consulting Agreement replacing the original agreement with a consulting fee of \$6,500 plus GST per month. Effective July 1, 2017, the Company entered into a new Management Consulting Agreement replacing the March 1, 2014 agreement with a consulting fee of \$3,500 plus GST per month. On July 31, 2017 Mr. McAllister agreed to be intern CFO until such time as a replacement could be sourced.

We do not expect any material changes in the number of employees over the next 12 month period. We do and will continue to outsource contract employment as needed.

Off-Balance Sheet Arrangements

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to stockholders.

Critical Accounting Policies

Our financial statements and accompanying notes are prepared in accordance with generally accepted accounting principles used in the United States of America. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. These estimates and assumptions are affected by management's application of accounting policies. We believe that understanding the basis and nature of the estimates and assumptions involved with the following aspects of our financial statements is critical to an understanding of our financials.

Mineral Properties

Acquisition costs of mineral rights are initially capitalized as incurred while exploration and pre-extraction expenditures are expensed as incurred until such time proven or probable reserves are established for that project. Acquisition costs include cash consideration and the fair market value of shares issued on the acquisition of mineral properties.

Expenditures relating to exploration activities are expensed as incurred and expenditures relating to pre-extraction activities are expensed as incurred until such time proven or probable reserves are established for that project, after which subsequent expenditures relating to development activities for that particular project are capitalized as incurred.

Where proven and probable reserves have been established, the project's capitalized expenditures are depleted over proven and probable reserves using the units-of-production method upon commencement of production. Where proven and probable reserves have not been established, the project's capitalized expenditures are depleted over the estimated extraction life using the straight-line method upon commencement of extraction. The Company has not established proven or probable reserves for any of its projects.

The carrying values of the mineral rights are assessed for impairment by management on a quarterly basis and as required whenever indicators of impairment exist. An impairment loss is recognized if it is determined that the carrying value is not recoverable and exceeds fair value.

Long-Lived Assets Impairment

In accordance with ASC 360, "Accounting for Impairment or Disposal of Long Lived Assets", the carrying value of long lived assets are tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The Company recognizes impairment when the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset. Impairment losses, if any, are measured as the excess of the carrying amount of the asset over its estimated fair value.

Revenue Recognition

The Company recognizes revenue from product sales when persuasive evidence of an arrangement exists, title to product and associated risk of loss has passed to the customer, the price is fixed or determinable, collection from the customer is reasonably assured, the Company has no further performance obligation, and returns can be reasonably estimated.

Going Concern

We have suffered recurring losses from operations. The continuation of our Company as a going concern is dependent upon our Company attaining and maintaining profitable operations and/or raising additional capital. The financial statements do not include any adjustment relating to the recovery and classification of recorded asset amounts or the amount and classification of liabilities that might be necessary should our Company discontinue operations.

The continuation of our business is dependent upon us raising additional financial support and/or attaining and maintaining profitable levels of internally generated revenue. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

Recently Issued Accounting Standards

In June 2018, the FASB issued ASU 2018-07, which simplifies the accounting for nonemployee share-based payment transactions. The amendments specify that Topic 718 applies to all share-based payment transactions in which a grantor acquires goods or services to be used or consumed in a grantor's own operations by issuing share-based payment awards. The standard will be effective for us in the first quarter of our fiscal year 2020, although early adoption is permitted (but no sooner than the adoption of Topic 606). We do not expect that the adoption of this ASU will have a significant impact on our consolidated financial statements.

In February 2016, Topic 842, Leases was issued to replace the leases requirements in Topic 840, Leases. The main difference between previous GAAP and Topic 842 is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. A lessee should recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. If a lessee makes this election, it should recognize lease expense for such leases generally on a straight-line basis over the lease term. The accounting applied by a lessor is largely unchanged from that applied under previous GAAP. Topic 842 will be effective for annual reporting periods beginning after December 15, 2018, including interim periods within those annual periods and is to be retrospectively applied. Earlier application is permitted. The adoption of this standard is not expected to have a significant impact on the Company's results of operations, financial condition, cash flows, and financial statement disclosures.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on the Company's financial statements upon adoption.

Results of Operations - Three Months Ended February 28, 2019 and February 28, 2018

The following summary of our results of operations should be read in conjunction with our financial statements for the six month period ended February 28, 2019, which are included herein.

Our operating results for the three months ended February 28, 2019, for the three months ended February 28, 2018 and the changes between those periods for the respective items are summarized as follows:

	Three Months Ended February 28, 2019	Three Months Ended February 28, 2018	Change Between Three Month Period Ended February 28, 2019 and February 28, 2018
Other expenses	\$817	\$1,398	\$(581)
General and administrative	203,639	198,150	5,489
Bank charges and interest expense	272	380	(108)
Consulting fees	10,500	11,000	(500)
Stock based compensation	-	-	-
Exploration expenses	115,360	6,083	109,277
Research and development	4,423	102,996	(98,573)
Professional fees	17,749	19,071	(1,322)
Investor relations	34,173	38,852	(4,679)
Net loss	204,456	199,548	4,908

Our financial statements report revenue of \$Nil for the three months ended February 28, 2019 and February 28, 2018. Our financial statements report a net loss of \$204,456 for the three month period ended February 28, 2019, compared to a net loss of \$199,548 for the three month period ended February 28, 2018. Our net losses have increased by \$4,908 for the three month period ended February 28, 2019. Our general and administrative expenses were higher by \$5,489 for three month period ended February 28, 2019 compared to February 28, 2018. The increase was largely due to decreased research and development expenditures, which were offset by increases to exploration expenses for the three month period ended February 28, 2019 compared to February 28, 2018.

Results of Operations - Six Months Ended February 28, 2019 and February 28, 2018

The following summary of our results of operations should be read in conjunction with our financial statements for the six month period ended February 28, 2019, which are included herein.

Our operating results for the six month period ended February 28, 2019, for the six month period ended February 28, 2018 and the changes between those periods for the respective items are summarized as follows:

	Six Months Ended February 28, 2019	Six Months Ended February 28, 2018	Change Between Six Month Period Ended February 28, 2019 and February 28, 2018	
Other expenses	\$1,552	\$809	\$743	
General and administrative	297,703	392,080	(94,377)
Bank charges and interest expense	481	737	(256)
Consulting fees	22,950	21,700	1,250	
Stock based compensation	-	31,237	(31,237)
Exploration expenses	124,532	6,083	118,449	
Research and development	4,423	211,744	(207,321)
Professional fees	30,793	28,937	1,856	
Investor relations	70,382	51,503	18,879	
Net loss	299,255	392,889	(93,634)

Our accumulated losses increased to \$14,191,073 at February 28, 2019. Our financial statements report revenue of \$Nil for the six months ended February 28, 2019 and February 28, 2018. Our financial statements report a net loss of \$299,255 for the six month period ended February 28, 2019, compared to a net loss of \$392,889 for the six month period ended February 28, 2018. Our net losses have decreased by \$93,634 for the six-month period ended February 28, 2019. Our general and administrative expenses were lower by \$94,377 for the six month period ended February 28, 2019 compared to the six month period ended February 28, 2018. The decrease was largely due to decreased stock-based compensation and research and development expenses, which were offset by an increase in exploration expenses for the six month period ended February 28, 2019 compared to February 28, 2018.

As at February 28, 2019, we had \$495,183 in current liabilities, which is comparable to current liabilities as at August 31, 2018. Our net cash used in operating activities for the six months ended February 28, 2019 was \$211,907 compared to \$440,808 used in the six months ended February 28, 2018.

Our total liabilities as of February 28, 2019 were \$495,183 as compared to total liabilities of \$449,270 as of August 31, 2018.

Liquidity and Financial Condition

<i>Working Capital</i>	At February 28, 2019	At August 31, 2018
Current assets	\$65,323	\$271,690
Current liabilities	495,183	449,270
Working capital surplus/(deficit)	\$(429,860)	\$(177,580)

<i>Cash Flows</i>	At February 28, 2019	At February 28, 2018
Cash flows (used in) operating activities	\$(211,907)	\$(440,808)
Cash flows from investing activities	-	-
Cash flows from financing activities	46,975	322,425
Net increase (decrease) in cash during year	\$(164,932)	\$(177,580)

Operating Activities

Net cash used in operating activities was \$211,907 in the six month period ended February 28, 2019 compared with net cash used in operating activities of \$440,808 in the same period in 2018. The decrease in cash used is the result of a decrease in stock-based compensation expense, a non-cash item, and a decrease in net loss for the period.

Financing Activities

Net cash provided by financing activities was \$46,975 in the six month period ended February 29, 2019 compared to \$322,425 in the same period in 2018. The cash provided was from private placements, option exercises and warrant exercises.

Investing Activities

Net cash provided in investing activities was \$Nil in the six month period ended February 29, 2019 compared to \$Nil in the same period in 2018.

Item 4. Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the *Securities Exchange Act of 1934*, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our president (also our principal executive officer) and our secretary, treasurer and chief financial officer (also our principal financial and accounting officer) to allow for timely decisions regarding required disclosure.

As of February 28, 2019, the end of our second quarter covered by this report, we carried out an evaluation, under the supervision and with the participation of our president (also our principal executive officer) and our secretary, treasurer and chief financial officer (also our principal financial and accounting officer), of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our president (also our principal executive officer) and our secretary, treasurer and chief financial officer (also our principal financial and accounting officer) concluded that our disclosure controls and procedures were effective in providing reasonable assurance in the reliability of our financial reports as of the end of the period covered by this quarterly report.

Inherent limitations on effectiveness of controls

Internal control over financial reporting has inherent limitations which include but is not limited to the use of independent professionals for advice and guidance, interpretation of existing and/or changing rules and principles, segregation of management duties, scale of organization, and personnel factors. Internal control over financial reporting is a process which involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis, however these inherent limitations are known features of the financial reporting process and it is possible to design into the process safeguards to reduce, though not eliminate, this risk. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal controls over financial reporting that occurred during the six month period ended February 28, 2019, that have materially or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II

OTHER INFORMATION

Item 1. Legal Proceedings

We know of no material, existing or pending legal proceedings against our company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, executive officers or affiliates, or any registered or beneficial stockholder, is an adverse party or has a material interest adverse to our interest.

Item 1A. Risk Factors

Much of the information included in this prospectus includes or is based upon estimates, projections or other "forward-looking statements". Such forward-looking statements include any projections or estimates made by us and our management in connection with our business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. We undertake no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other "forward-looking statements" involve various risks and uncertainties as outlined below. We caution readers of this prospectus that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other "forward-looking statements". In evaluating us, our business and any investment in our business, readers should carefully consider the following factors.

Our common shares are considered speculative. Prospective investors should consider carefully the risk factors set out below.

Risks Associated with Business

Our company has no operating history and an evolving business model, which raises doubt about our ability to achieve profitability or obtain financing.

Our Company has no operating history. Moreover, our business model is still evolving, subject to change, and will rely on the cooperation and participation of our joint venture partners. Our Company's ability to continue as a going concern is dependent upon our ability to obtain adequate financing and to reach profitable levels of operations and we no proven history of performance, earnings or success. There can be no assurance that we will achieve profitability or obtain future financing.

Uncertain demand for mineral resources sector may cause our business plan to be unprofitable.

Demand for mineral resources is based on the world economy and new technologies. Current lithium demand exceeds available supply due to the rapid increase in lithium batteries in portable electronics and the growing electric vehicle markets. There can be no assurance that current supply and demand factors will remain the same or that projected supply and demand factors will actually come to pass from 3rd party projections that are currently believed to be true and accurate. There can be no assurance that new disruptive technologies will replace lithium as a significant component in battery storage over time.

Conflicts of interest between our company and our directors and officers may result in a loss of business opportunity.

Our directors and officers are not obligated to commit their full time and attention to our business and, accordingly, they may encounter a conflict of interest in allocating their time between our future operations and those of other businesses. In the course of their other business activities, they may become aware of investment and business opportunities which may be appropriate for presentation to us as well as other entities to which they owe a fiduciary duty. As a result, they may have conflicts of interest in determining to which entity a particular business opportunity should be presented. They may also in the future become affiliated with entities, engaged in business activities similar to those we intend to conduct.

In general, officers and directors of a corporation are required to present business opportunities to a corporation if:

- the corporation could financially undertake the opportunity;
- the opportunity is within the corporation's line of business; and
- it would be unfair to the corporation and its stockholders not to bring the opportunity to the attention of the corporation.

We plan to adopt a code of ethics that obligates our directors, officers and employees to disclose potential conflicts of interest and prohibits those persons from engaging in such transactions without our consent. Despite our intentions, conflicts of interest may nevertheless arise which may deprive our company of a business opportunity, which may impede the successful development of our business and negatively impact the value of an investment in our company.

The speculative nature of our business plan may result in the loss of your investment.

Our operations are in the start-up or stage only, and are unproven. We may not be successful in implementing our business plan to become profitable. There may be less demand for our services than we anticipate. There is no assurance that our business will succeed and you may lose your entire investment.

Changing consumer preferences may cause our planned products to be unsuccessful in the marketplace.

The decision of a potential client to undergo an environmental audit or review may be based on ethical or commercial reasons. In some instances, or with certain businesses, there may be no assurance that an environmental review will result in any cost savings or increased revenues. As such, unless the ethical consideration is also a material factor, there may be no incentive for such businesses to undertake an environmental review. Changes in consumer and commercial preferences, or trends, toward or away from environmental issues may impact on businesses' decisions to undergo environmental reviews.

General economic factors may negatively impact the market for our planned products.

The willingness of businesses to spend time and money on energy efficiency may be dependent upon general economic conditions; and any material downturn may reduce the likelihood of businesses incurring costs toward what some businesses may consider a discretionary expense item.

A wide range of economic and logistical factors may negatively impact our operating results.

Our operating results will be affected by a wide variety of factors that could materially affect revenues and profitability, including the timing and cancellation of customer orders and projects, competitive pressures on pricing, availability of personnel, and market acceptance of our services. As a result, we may experience material fluctuations in future operating results on a quarterly and annual basis which could materially affect our business, financial condition and operating results.

Changes In Environmental Regulations May Have An Impact On Our Operations

We believe that we currently comply with existing environmental laws and regulations affecting our proposed operations. While there are no currently known proposed changes in these laws or regulations, significant changes have affected the industry in the past and additional changes may occur in the future. The company is subject to the Bureau of Land Management ("BLM"), State and potentially other government agencies with respect to its lithium brine business.

Our operations may be subject to environmental laws, regulations and rules promulgated from time to time by government. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means stricter standards and enforcement. Fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies, directors, officers and employees. The cost of compliance with changes in governmental regulations has potential to reduce the profitability of operations. We intend to comply with all environmental regulations in the United States and Canada.

Loss of consumer confidence in our company or in our industry may harm our business.

Demand for our services may be adversely affected if consumers lose confidence in the quality of our services or the industry's practices. Adverse publicity may discourage businesses from buying our services and could have a material adverse effect on our financial condition and results of operations. Various factors may adversely impact our reputation, including product quality inconsistencies or contamination resulting in product recalls. Reputational risks may also arise from our third parties' labour standards, health, safety and environmental standards, raw material sourcing, and ethical standards. We may also be the victim of product tampering or counterfeiting or grey imports. Any litigation, disputes on tax matters and pay structures may subject us to negative attention in the press, which can damage reputation.

The failure to secure customers may cause our operations to fail.

We currently have no long-term agreements with any customers. Many of our sales may be on a "onetime" basis. Accordingly, we will require new customers on a continuous basis to sustain our operations. Risk of material impact on Group growth and profit of consumer led slowdown in key developing markets, exacerbated by increasing currency volatility. A variety of factors may adversely affect our results of operations and financial condition during periods of economic uncertainty or instability, social or labour unrest or political upheaval in the markets in which we operate. Such periods may also lead to government actions, such as imposition of martial law, trade restrictions, foreign ownership restrictions, capital, price or currency controls, nationalization or expropriation of property or other resources, or changes in legal and regulatory requirements and taxation regimes.

If we fail to effectively and efficiently advertise, the growth of our business may be compromised.

The future growth and profitability of our business will be dependent in part on the effectiveness and efficiency of our advertising and promotional expenditures, including our ability to (i) create greater awareness of our products, (ii) determine the appropriate creative message and media mix for future advertising expenditures, and (iii) effectively manage advertising and promotional costs in order to maintain acceptable operating margins. There can be no assurance that we will experience benefits from advertising and promotional expenditures in the future. In addition, no assurance can be given that our planned advertising and promotional expenditures will result in increased revenues, will generate levels of service and name awareness or that we will be able to manage such advertising and promotional expenditures on a cost-effective basis.

Our success is dependent on our unproven ability to attract qualified personnel.

We depend on our ability to attract, retain and motivate our management team, consultants and advisors. There is strong competition for qualified technical and management personnel in the business sector, and it is expected that such competition will increase. Our planned growth will place increased demands on our existing resources and will likely require the addition of technical personnel and the development of additional expertise by existing personnel.

There can be no assurance that our compensation packages will be sufficient to ensure the continued availability of qualified personnel who are necessary for the development of our business.

We have a limited operating history with losses and we expect the losses to continue, which raises concerns about our ability to continue as a going concern.

We have generated minimal revenues since our inception and will, in all likelihood, continue to incur operating expenses with minimal revenues until we are able to successfully develop our business. Our business plan will require us to incur further expenses. We may not be able to ever become profitable. These circumstances raise concerns about our ability to continue as a going concern. We have a limited operating history and must be considered in the start-up stage.

There is an explanatory paragraph to their audit opinion issued in connection with the financial statements for the year ended August 31, 2018 with respect to their doubt about our ability to continue as a going concern. As discussed in Note 2 to our financial statements for the year ended August 31, 2018, we have incurred a net loss of \$650,055 for the year ended August 31, 2018 (net loss \$801,166 for the year ended August 31, 2017) and as at August 31, 2018 have incurred cumulative losses of \$13,891,818 that raises substantial doubt about its ability to continue as a going concern. Our management has been able, thus far, to finance the operations through equity financing and cash on hand. There is no assurance that our company will be able to continue to finance our company on this basis.

Without additional financing to develop our business plan, our business may fail.

Because we have generated only minimal revenue from our business and cannot anticipate when we will be able to generate meaningful revenue from our business, we will need to raise additional funds to conduct and grow our business. We do not currently have sufficient financial resources to completely fund the development of our business plan. We anticipate that we will need to raise further financing. We do not currently have any arrangements for financing and we can provide no assurance to investors that we will be able to find such financing if required. The most likely source of future funds presently available to us is through the sale of equity capital. Any sale of share capital will result in dilution to existing security-holders.

We may not be able to obtain all of the licenses necessary to operate our business, which would cause our business to fail.

Our operations require licenses and permits from various governmental authorities related to the establishment of our planned facilities, to the production, storage and distribution of our products, and to the disposal of waste. We believe that we will be able to obtain all necessary licenses and permits under applicable laws and regulations for our operations and believe we will be able to comply in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in various circumstances. There can be no guarantee that we will be able to obtain or maintain all necessary licenses and permits.

Changes in health and safety regulation may result in increased or insupportable financial burden on our company.

We believe that we currently comply with existing laws and regulations affecting our product and operations. While there are no currently known proposed changes in these laws or regulations, significant changes have affected the industry in the past and additional changes may occur in the future.

Our products and operations may be subject to unanticipated regulations and rules promulgated from time to time by government, namely those related to consumer health and safety which may render certain production methods, ingredients, products or practices obsolete. The cost of compliance with changes in governmental regulations has potential to reduce the viability or profitability of our products or operations.

If we are unable to recruit or retain qualified personnel, it could have a material adverse effect on our operating results and stock price.

Our success depends in large part on the continued services of our executive officers and third party relationships. We currently do not have key person insurance on these individuals. The loss of these people, especially without advance notice, could have a material adverse impact on our results of operations and our stock price. It is also very important that we be able to attract and retain highly skilled personnel, including technical personnel, to accommodate our exploration plans and to replace personnel who leave. Competition for qualified personnel can be intense, and there are a limited number of people with the requisite knowledge and experience. Under these conditions, we could be unable to recruit, train, and retain employees. If we cannot attract and retain qualified personnel, it could have a material adverse impact on our operating results and stock price.

If we fail to effectively manage our growth our future business results could be harmed and our managerial and operational resources may be strained.

As we proceed with our business plan, we expect to experience significant and rapid growth in the scope and complexity of our business. We will need to add staff to market our services, manage operations, handle sales and marketing efforts and perform finance and accounting functions. We will be required to hire a broad range of additional personnel in order to successfully advance our operations. This growth is likely to place a strain on our management and operational resources. The failure to develop and implement effective systems, or to hire and retain sufficient personnel for the performance of all of the functions necessary to effectively service and manage our potential business, or the failure to manage growth effectively, could have a materially adverse effect on our business and financial condition.

Risks Associated with the Shares of Our Company

Because we do not intend to pay any dividends on our shares, investors seeking dividend income or liquidity should not purchase our shares.

We have not declared or paid any dividends on our shares since inception, and do not anticipate paying any such dividends for the foreseeable future. We presently do not anticipate that we will pay dividends on any of our common stock in the foreseeable future. If payment of dividends does occur at some point in the future, it would be contingent upon our revenues and earnings, if any, capital requirements, and general financial condition. The payment of any common stock dividends will be within the discretion of our Board of Directors. We presently intend to retain all earnings to implement our business plan; accordingly, we do not anticipate the declaration of any dividends for common stock in the foreseeable future.

Investors seeking dividend income or liquidity should not invest in our shares.

Because we can issue additional shares, purchasers of our shares may incur immediate dilution and may experience further dilution.

We are authorized to issue up to 200,000,000 shares. The board of directors of our company has the authority to cause us to issue additional shares, and to determine the rights, preferences and privileges of such shares, without consent of any of our stockholders. Consequently, our stockholders may experience more dilution in their ownership of our company in the future.

Other Risks

Trading on the OCTQB and CSE may be volatile and sporadic, which could depress the market price of our common stock and make it difficult for our stockholders to resell their shares.

Our common stock is quoted on the OCTQB electronic quotation service operated by OTC Markets Group Inc.. Trading in stock quoted on the OCTQB is often thin and characterized by wide fluctuations in trading prices, due to many factors that may have little to do with our operations or business prospects. This volatility could depress the market price of our common stock for reasons unrelated to operating performance. Moreover, the OCTQB is not a stock exchange, and trading of securities on the OCTQB is often more sporadic than the trading of securities listed on a quotation system like Nasdaq or a stock exchange like Amex. Accordingly, shareholders may have difficulty reselling any of the shares.

Our stock is a penny stock. Trading of our stock may be restricted by the Securities and Exchange Commission's penny stock regulations which may limit a stockholder's ability to buy and sell our stock.

Our stock is a penny stock. The Securities and Exchange Commission has adopted Rule 15c-2-07 which generally defines "penny stock" to be any equity security that has a market price (as defined) less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The term "accredited investor" refers generally to institutions with assets in excess of \$5,000,000 or individuals with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the Securities and Exchange Commission which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock.

The Financial Industry Regulatory Authority, or FINRA, has adopted sales practice requirements which may also limit a stockholder's ability to buy and sell our stock.

In addition to the "penny stock" rules described above, FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

We believe that our operations comply, in all material respects, with all applicable environmental regulations.

Our operating partners maintain insurance coverage customary to the industry; however, we are not fully insured against all possible environmental risks.

Any change to government regulation/administrative practices may have a negative impact on our ability to operate and our profitability.

The laws, regulations, policies or current administrative practices of any government body, organization or regulatory agency in the United States, Canada, or any other jurisdiction, may be changed, applied or interpreted in a manner which will fundamentally alter the ability of our company to carry on our business.

The actions, policies or regulations, or changes thereto, of any government body or regulatory agency, or other special interest groups, may have a detrimental effect on us. Any or all of these situations may have a negative impact on our ability to operate and/or our profitability.

Because we can issue additional shares, purchasers of our shares may incur immediate dilution and may experience further dilution.

We are authorized to issue up to 200,000,000 shares. The board of directors of our company has the authority to cause us to issue additional shares, and to determine the rights, preferences and privileges of such shares, without consent of any of our stockholders. Consequently, our stockholders may experience more dilution in their ownership of our company in the future.

Our by-laws contain provisions indemnifying our officers and directors against all costs, charges and expenses incurred by them.

Our by-laws contain provisions with respect to the indemnification of our officers and directors against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, actually and reasonably incurred by him, including an amount paid to settle an action or satisfy a judgment in a civil, criminal or administrative action or proceeding to which he is made a party by reason of his being or having been one of our directors or officers.

Investors' interests in our company will be diluted and investors may suffer dilution in their net book value per share if we issue additional shares or raise funds through the sale of equity securities.

Our constating documents authorize the issuance of 200,000,000 shares of common stock with a par value of \$0.001. In the event that we are required to issue any additional shares or enter into private placements to raise financing through the sale of equity securities, investors' interests in our company will be diluted and investors may suffer dilution in their net book value per share depending on the price at which such securities are sold. If we issue any such additional shares, such issuances also will cause a reduction in the proportionate ownership and voting power of all other shareholders. Further, any such issuance may result in a change in our control.

Our by-laws do not contain anti-takeover provisions, which could result in a change of our management and directors if there is a take-over of our company.

We do not currently have a shareholder rights plan or any anti-takeover provisions in our By-laws. Without any anti-takeover provisions, there is no deterrent for a take-over of our company, which may result in a change in our management and directors.

As a result of a majority of our directors and officers are residents of other countries other than the United States, investors may find it difficult to enforce, within the United States, any judgments obtained against our company or our directors and officers.

Other than our operations office in Kelowna, British Columbia, we do not currently maintain a permanent place of business within the United States. In addition, a majority of our directors and officers are nationals and/or residents of countries other than the United States, and all or a substantial portion of such persons' assets are located outside the United States. As a result, it may be difficult for investors to enforce within the United States any judgments obtained against our company or our officers or directors, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state thereof.

Trends, risks and uncertainties.

We have sought to identify what we believe to be the most significant risks to our business, but we cannot predict whether, or to what extent, any of such risks may be realized nor can we guarantee that we have identified all possible risks that might arise such as a black swan event. An absolute worst case scenario with sufficient potential impact to risk the future of the company as an independent business operating in its chosen markets. Significant reputational impact as a result of a major issue resulting in multiple fatalities, possibly compounded by apparently negligent management behavior; extreme adverse press coverage and viral social media linking the Company name to consumer brands, leads to a catastrophic share price fall, very significant loss of consumer confidence and inability to retain and recruit quality people. Investors should carefully consider all of such risk factors before making an investment decision with respect to our common shares.

Item 2.Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3.Defaults Upon Senior Securities

None.

Item 4.Submission of Matters to a Vote of Securities Holders

None.

Item 5. Other Information

Due to the implementation of British Columbia Instrument 51-509 on September 30, 2008 by the British Columbia Securities Commission, we have been deemed to be a British Columbia based reporting issuer. As such, we are required to file certain information and documents at www.sedar.com.

Item 6. Exhibits

Exhibit Number	Description
	(i) Articles of Incorporation; and (ii) Bylaws
	<u>3.1* Articles of Incorporation</u>
	<u>3.2* Bylaws</u>
	<u>31.1 Rule 13(a) - 14 (a)/15(d) - 14(a) Certifications</u>
	<u>32.1 Section 1350 Certifications</u>

*Incorporated by reference to same exhibit filed with the Company's Registration Statement on Form SB-2 dated

January 10, 2006.

**Certain parts of this document have not been disclosed and have been filed separately with the Secretary, Securities and Exchange Commission, and is subject to a confidential treatment request pursuant to Rule 24b-2 of the Securities Exchange Act of 1934.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ENERTOPIA CORP.

By: */s/ " Robert McAllister "*
Robert McAllister,
President (Principal Executive Officer)
04/09/2019

By:*/s/ "Robert McAllister"*
Robert McAllister,
Chief Financial Officer
04/09/2019
